



Greater Birmingham
Chambers
of Commerce



Black Country
Chamber of
Commerce



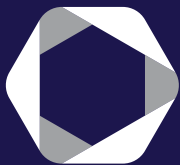
Coventry & Warwickshire
Chamber of
Commerce
The Ultimate Business Network

Briefing Paper

The Northern Ireland Protocol

September 2020

Supported by



West Midlands
Combined Authority

Connect. Support. Grow.

What is the UK's approach to the Northern Ireland Protocol?

The Northern Ireland Protocol is a key provision within the Withdrawal Agreement negotiated between the United Kingdom and the European Union. The purpose of the protocol is to avoid a hard border on the island of Ireland which would lead to new customs infrastructure and customs checks being introduced at the border between the two countries.

Under the terms of the Withdrawal Agreement, Northern Ireland will stay aligned with EU rules concerning manufactured goods and agricultural products but remain a part of the customs territory of the United Kingdom. This means that it will leave the EU Customs Union along with the rest of the UK at the end of the transition period.

With the UK leaving the EU customs territory from 2021, this will require checks on goods leaving the UK for the EU market (and vice versa) and the collection of tariffs. However, as both sides have committed to ensuring that there will be no customs checks or controls at the border between Northern Ireland and the Republic of Ireland, this means that any checks will need to take place on goods moving between Great Britain and Northern Ireland instead.

The UK government has published its approach to implementing the Northern Ireland protocol and has said that businesses moving goods from Northern Ireland to the rest of the UK should continue to operate as they do now with no additional tariffs, customs checks or restrictions put in place. However, there will be checks on agri-food movements which require pre-notification and will need to enter Northern Ireland from Great Britain via a Border Inspection Post or Designated Point of Entry.

Goods being transported from the rest of the UK to Northern Ireland will not be subject to tariffs if the goods remain within Northern Ireland. Only goods that are ultimately destined for the Republic of Ireland or are deemed to be at risk of doing so will be subject to EU tariffs when entering Northern Ireland from the rest of the UK.

By remaining in the UK customs territory, this will enable Northern Irish businesses to benefit from any free trade agreements the UK reaches with other countries. Goods arriving in Northern Ireland from countries outside of the EU will be subject to the UK tariff rate unless they are at risk of being moved to the EU. Businesses can find out more information about the new UK tariffs that will apply from 2021 [here](#)

The UK government will be able to waive or reimburse tariffs on goods that remain in Northern Ireland after being imported from the rest of the UK or non-EU countries.

Northern Ireland will also remain in the UK VAT area but will be required to follow EU VAT rules on goods. Northern Ireland will not be required to follow EU VAT rules on services.

It is important that businesses are aware that there is a consent mechanism within the protocol which allows the Northern Ireland Assembly to vote every four years on whether these arrangements should continue to apply.

If the elected institutions in Northern Ireland withhold their consent then these arrangements will cease to apply two years later and this may result in further changes when transporting goods between Northern Ireland from Great Britain.

How will the UK's approach to the Northern Ireland Protocol affect my business?

These changes will impact businesses that deal with customers or suppliers based in Northern Ireland as the UK customs authority will be required to apply EU customs rules at its ports to goods entering Northern Ireland.

Traders based in Northern Ireland will need to submit customs declarations and safety and security information when importing goods from businesses based in Great Britain. The government is aiming to avoid as many physical checks and controls at Northern Ireland's ports as much as possible and has said that the additional documentation will be submitted using electronic processes which will be streamlined and simplified as much as they possibly can be.

To help businesses in Northern Ireland with these new administrative processes, the UK government has said that it will establish a new Trader Support Service (TSS). Traders will be able to register for this free to use service which will complete import declarations and safety and security details on their behalf using the information that they have provided.

The UK government's position is that there will be no need for exit summary declarations on goods leaving Northern Ireland to Great Britain but the EU disputes this. The UK government have also said that there will be no requirement for traders based in Great Britain to submit customs declarations or exit summary declarations on goods headed for Northern Ireland.

Businesses sending goods to Northern Ireland should be aware that their customers will have to pay EU import tariffs on their goods (unless a UK -EU tariff free trade agreement is ratified) if they are deemed to be at risk of entering the EU. We are still awaiting clarification on the criteria for goods defined as 'at risk' of being moved into the EU and therefore subject to tariff payments. However, there will be exemptions or a potential reimbursement for businesses that can prove their goods will remain within Northern Ireland.

The EU has stated that goods moving between the UK and Northern Ireland will be treated as exports and imports for EU VAT purposes. If this is to be the case then it would result in local businesses having to pay import VAT on goods imported from Northern Ireland and businesses based in Northern Ireland needing to pay import VAT on goods arriving from Great Britain.

Businesses placing manufactured goods on the market in Northern Ireland will need to continue to produce goods to EU standards and hold the relevant approvals as they do now for 'harmonised' goods covered under the Northern Ireland Protocol. Northern Ireland businesses will not face new restrictions and will be able to place goods on the market throughout the rest of the United Kingdom without the need for additional approvals as the UK will accept the results of assessments carried out by EU conformity assessment bodies.

However, there will be new requirements, with respect to how approvals are sought, for placing goods on the EU market. If your goods require a mandatory third-party conformity assessment and this is undertaken by a UK body, the UK (NI) marking will need to accompany the EU conformity marking (CE) on your goods. Goods carrying both of these markings will be valid for the UK market but cannot be placed on the EU market. You will need to have a conformity assessment carried out by an EU body to place your goods on the EU market.

Click [here](#) for further guidance on moving goods from Northern Ireland to Great Britain

Click [here](#) for further guidance on moving goods from Great Britain to Northern Ireland

What are the Chambers of Commerce's views on the UK's approach to the Northern Ireland Protocol?

With not long to go until the end of the transition period, it is imperative that the UK government provides full guidance to businesses as soon as possible and confirms the steps that companies need to take to comply with the new rules concerning the movement of goods between Great Britain and Northern Ireland. Clarification on the criteria for goods deemed to be at risk of entering the EU is essential and only then will we be able to determine the volume of goods that will face checks when moving from Great Britain to Northern Ireland.

The UK government needs to ensure that it sticks to its commitment that the UK will continue to operate as a coherent internal market and that UK businesses will be able to trade unhindered in every part of the United Kingdom. Any additional documentation and checks will lead to additional costs for businesses and have a detrimental impact on companies reliant on just-in-time supply chains. It is vital that there is a level playing field and local businesses heavily reliant on trade with Northern Ireland are not put at a competitive disadvantage.

The government should move to mitigate the impact that tariffs and VAT payments will have on cash flow by introducing postponed accounting and ensure that any reimbursements are issued as quickly and efficiently as possible. They should also consider developing a bespoke trusted trade scheme for businesses which only trade between Great Britain and Northern Ireland to help speed up the customs process and avoid any unnecessary delays at ports.

How can the Chambers of Commerce help?

We are committed to ensuring that businesses are kept informed of key announcements made by the government in the run up to the end of the transition period. With only a few months remaining, we will also be running a number of webinars over the coming months, featuring guest experts, covering the key issues that matter to business. We have also produced a number of briefings outlining important policy announcements such as the future UK immigration system and the UK Global Tariff. Businesses can access further support through our International services which offers advice on all aspects of international trade and a range of accredited training courses to help businesses with import procedures and export documentation.

Click [here](#) for further information on the Black Country Chamber of Commerce international services

Click [here](#) for further information on the Coventry & Warwickshire Chamber of Commerce international trade support.

Click [here](#) for further information on the Greater Birmingham Chambers of Commerce International Business Hub.